

KAGISANO-MOLOPO LOCAL MUNICIPALITY

“NW 397”

**KAGISANO-MOLOPO LOCAL
MUNICIPALITY**

NW397

**DRAFT MTREF BUDGET 2017/18 –
2019/20**

1. Council Resolution

Attached

2. LEGISLATIVE COMPLIANCE

The promulgation of the Municipal Finance Management Act (The Act) has brought in proficiency and control measures to local government in terms of budgeting, monitoring and accounting on public funds. The Act has had a profound effect on local government operations that required transformation in financial discipline and planning processes. The budget preparation for MTREF 2017/18 – 2019/20 complies with most of these key requirements.

The Act has created clear reporting standards for local government that conforms to international standards. In addition to providing for improved reporting by local government, the Act stipulates that new accounting and financial standards must be complied with.

Compliance with MFMA implementation requirements has been substantially adhered to through the following activities:

a) In- year reporting

The municipality's electronic reporting to National Treasury has also been complied with. The monthly and quarterly returns to NT have been submitted.

b) MFMA training

Kagisano-Molopo Local municipality, in its advances to comply with the act, has in its plan of compliance instructed departments to train all finance and non-finance officials on MFMA . This has resulted in mass training programme for officials. Compliance on all critical elements of the MFMA is enhanced due the fact that most officials are aware of the Act.

c) Accounting standards

The reform agenda set out through the Act includes new accounting standards, which includes national standards such as Generally Recognised Accounting Practice (GRAP). These above mentioned accounting practices have been adhered to during the development of the budget.

d) Municipal Budget and Reporting Regulations

Budgeting in the municipality is also done in accordance with the MFMA: Municipal Budget and Reporting Regulations promulgated in 2009 as well as the Municipal Standard Chart of Accounts and Other directives from the National Treasury, for example in the form of budget circulars, are also taken into consideration.

e) Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

f) Audit Committee

An Audit Committee has been established and is fully functional and it's a shared service from the District municipality

g) Annual Report

Annual report is compiled in terms of the MFMA and NT requirements.

h) SDBIP

The detail SDBIP document is at a draft stage and will be finalized.

i) Budget Steering Committee

A Budget Steering Committee has been established in accordance with MBRR and is fully functional.

j) Alignment of budget with development priorities

There is clear linkage between the budget and the IDP. The municipality is implementing programme budgeting to ensure that the development programmes identified in the IDP are appropriately funded.

k) Public participation

In accordance with the Act, the municipality's draft budget was made public immediately after tabling to allow for the public to comment on it. The budget has a political oversight.

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of Kagisano-molopo's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Funds were transferred appropriately across all the prioritised programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and „nice to have" items. This has resulted in making sure that there is savings to the municipality on other items.

The municipality through it's in year reporting and other internal controls put in place, will be sure to save on all expenditure to maintain a sound financial cash flow. Even though the municipality is trying to capacitate its officials we still contemplating to make a huge savings on the subsistence and travel allowances, workshops and other related expenditures. The municipality

will not deny officials opportunities but rather come up with controls measures to make sure that we get value for money.

The Municipality is embarking on implementing a range of revenue collection strategies to optimize the collection of debt owed by customers. Furthermore, the Municipality will be undertaking various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people led government.

3.1 The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2017/18 Draft Budget priorities and targets.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to district funded projects until the necessary projects to the municipality are completed and transferred to the municipality.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table A: Consolidated overview of the Final MTREF 2017/18

Choose name from list - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description R thousand	Ref 1	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	119,774	104,899	109,182
Executive and council		-	-	-	-	-	-	35,299	36,795	38,942
Finance and administration		-	-	-	-	-	-	84,475	68,104	70,240
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	15,805	16,926	19,332
Community and social services		-	-	-	-	-	-	15,805	16,926	19,332
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	25,240	24,632	26,977
Planning and development		-	-	-	-	-	-	25,240	24,632	26,977
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	160,818	146,457	155,491
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	117,760	104,899	109,182
Executive and council		-	-	-	-	-	-	35,299	36,795	38,942
Finance and administration		-	-	-	-	-	-	82,461	68,104	70,240
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	14,505	16,926	19,332
Community and social services		-	-	-	-	-	-	14,505	16,926	19,332
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	25,040	24,632	26,977
Planning and development		-	-	-	-	-	-	25,040	24,632	26,977
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	157,304	146,457	155,491
Surplus/(Deficit) for the year		-	-	-	-	-	-	3,514	-	-

Total operating revenue has increased to R 160 Million for the 2017/18 financial year, Subsequent to that there will be a slight decrease for the two outer years.

Total projected operating expenditure for the 2017/18 financial year has been appropriated at R 157 million.

Choose name from list - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Office of the Mayor		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Speaker		-	-	-	-	-	-	-	-	-	-
Vote 3 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		-	-	-	-	-	-	-	12,373	12,373	12,373
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure		-	-	-	-	-	-	-	-	31,000	30,300
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	12,373	43,373	42,673
Single-year expenditure to be appropriated	2										
Vote 1 - Office of the Mayor		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Speaker		-	-	-	-	-	-	-	-	-	-
Vote 3 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		-	-	-	-	-	-	-	5,450	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure		-	-	-	-	-	-	-	40,187	-	-
Vote 8 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	45,637	-	-
Total Capital Expenditure - Vote	-	-	-	-	-	-	-	-	58,010	43,373	42,673
Capital Expenditure - Functional											
Governance and administration	-	-	-	-	-	-	-	-	17,823	12,373	12,373
Executive and council									17,823	12,373	12,373
Finance and administration											
Internal audit											
Community and public safety	-	-	-	-	-	-	-	-	-	-	-
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services	-	-	-	-	-	-	-	-	40,187	31,000	30,300
Planning and development									40,187	31,000	30,300
Road transport											
Environmental protection											
Trading services	-	-	-	-	-	-	-	-	-	-	-
Energy sources											
Water management											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	-	-	-	-	-	-	-	58,010	43,373	42,673
Funded by:											
National Government									29,012	30,516	32,103
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	29,012	30,516	32,103
Public contributions & donations	5	-	-	-	-	-	-	-			
Borrowing	6	-	-	-	-	-	-	-	28,998	12,857	10,570
Total Capital Funding	7	-	-	-	-	-	-	-	58,010	43,373	42,673

Capital expenditure for 2017/18 has been budgeted R 58 million, R 43 Million and R 42 Million from R49 Million over the MTREF period.

Table E: Operating Transfers and Grants Receipts

The table below gives a breakdown of the various operating grants and subsidies allocated to the municipality as per DORA over the medium term.

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		-	-	-	-	-	-	110,100	112,561	114,769
EPWP Incentive								103,799	108,496	111,421
Municipal Systems Improvement								3,225		
Finance Management								760		
Other transfers/grants [insert description]								3,076	3,305	3,348
Provincial Government:										
Sport and Recreation		-	-	-	-	-	-	580	580	580
Other transfers/grants [insert description]								580	580	580
District Municipality:										
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:										
LG SETA Grant		-	-	-	-	-	-	1,823	-	-
Total Operating Transfers and Grants	5	-	-	-	-	-	-	112,503	113,141	115,349
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		-	-	-	-	-	-	30,539	32,122	33,793
Other capital transfers/grants [insert desc]								30,539	32,122	33,793
Provincial Government:										
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:										
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:										
LG SETA Grant		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	30,539	32,122	33,793
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	-	-	-	143,042	145,263	149,142

Total receipts and grants is amounting to R 143 Million in 2017/18 financial year inclusive of Capital.

PROPERTY RATES

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 percent rebate will be granted to registered indigents in terms of the Indigent Policy.
- Municipal properties and PSI are exempted from paying rates

ADOPTED TARIFFS

Residential (dev)	0.006000
Residential (un dev)	0.006000
Business & industrial (dev)	0.012000
Government Properties	0.037000
Agri Land	0.001500

BUDGET SUMMARY

Budget Tables – KAGISANO-MOLOPO LOCAL MUNICIPALITY

The following budget table as required in terms of section 8 of the Municipal Budget and Reporting Regulations. This table set out the municipality's 2017/18 draft budget and MTREF as proposed by the Council. The tables are accompanied by explanatory notes.

Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a final budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts proposed by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Choose name from list - Table A1 Consolidated Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	16,980	17,965	19,007
Service charges	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	1,540	1,694	1,863
Transfers recognised - operational	-	-	-	-	-	-	-	-	114,030	113,987	117,039
Other own revenue	-	-	-	-	-	-	-	-	28,268	18,194	19,228
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	-	160,818	151,840	157,138
Employee costs	-	-	-	-	-	-	-	-	30,769	32,615	38,212
Remuneration of councillors	-	-	-	-	-	-	-	-	10,422	11,048	11,719
Depreciation & asset impairment	-	-	-	-	-	-	-	-	24,900	17,414	15,679
Finance charges	-	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	15,126	11,762	14,568
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	-	76,088	73,619	75,314
Total Expenditure	-	-	-	-	-	-	-	-	157,304	146,457	155,491
Surplus/(Deficit)	-	-	-	-	-	-	-	-	3,514	5,383	1,646
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	-	29,012	30,516	32,103
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-	32,526	35,899	33,749
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	-	32,526	35,899	33,749
Capital expenditure & funds sources											
Capital expenditure	-	-	-	-	-	-	-	-	58,010	43,373	42,673
Transfers recognised - capital	-	-	-	-	-	-	-	-	29,012	30,516	32,103
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	28,998	12,857	10,570
Total sources of capital funds	-	-	-	-	-	-	-	-	58,010	43,373	42,673
Financial position											
Total current assets	-	-	-	-	-	-	-	-	30,246	31,193	33,850
Total non current assets	-	-	-	-	-	-	-	-	837,622	848,745	868,745
Total current liabilities	-	-	-	-	-	-	-	-	3,578	3,870	3,870
Total non current liabilities	-	-	-	-	-	-	-	-	3,101	2,700	2,700
Community wealth/Equity	-	-	-	-	-	-	-	-	861,189	873,367	896,025
Cash flows											
Net cash from (used) operating	-	-	-	-	-	-	-	-	58,710	54,163	50,157
Net cash from (used) investing	-	-	-	-	-	-	-	-	(58,010)	(43,373)	(42,673)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	-	18,700	29,490	36,974
Cash backing/surplus reconciliation											
Cash and investments available	-	-	-	-	-	-	-	-	29,000	30,543	33,500
Application of cash and investments	-	-	-	-	-	-	-	-	2,332	3,220	3,520
Balance - surplus (shortfall)	-	-	-	-	-	-	-	-	26,668	27,323	29,980
Asset management											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	58,010	43,373	42,673
Depreciation	-	-	-	-	-	-	-	-	24,900	24,900	17,414
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	15,126	15,126	11,762
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	1,779	1,779	1,882
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Choose name from list - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	16,980	17,965	19,007
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments									1,759	1,935	2,128
Interest earned - outstanding debtors									1,540	1,694	1,863
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services								-			
Transfers and subsidies									114,030	113,987	117,039
Other revenue	2	-	-	-	-	-	-	-	26,509	16,259	17,100
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	160,818	151,840	157,138
Expenditure By Type											
Employee related costs	2	-	-	-	-	-	-	-	30,769	32,615	38,212
Remuneration of councillors									10,422	11,048	11,719
Debt impairment	3								1,284	850	728
Depreciation & asset impairment	2	-	-	-	-	-	-	-	24,900	17,414	15,679
Finance charges									-	-	-
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	15,126	11,762	14,568
Contracted services		-	-	-	-	-	-	-	19,422	14,901	14,984
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	55,381	57,867	59,602
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	157,304	146,457	155,491
Surplus/(Deficit)		-	-	-	-	-	-	-	3,514	5,383	1,646
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									29,012	30,516	32,103
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all))	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	32,526	35,899	33,749
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	32,526	35,899	33,749
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	32,526	35,899	33,749
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	32,526	35,899	33,749
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	32,526	35,899	33,749

BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

- Total revenue is R160 Million for 2017/18 is realised and R151 Million and R 157 Milion is realised in the outer years respectively.
- Revenue to be generated from property rates is R16 Million in the 2017/18 financial year over the period of 3 years. This is the operating revenue base of the municipality and therefore remains a significant funding source for the municipality.
- Revenue to be generated from external investments is R 1.5 million for 2017/18 financial year and the revenue for Rental of equipment is R 1.7 Million.

Choose name from list - Table A6 Consolidated Budgeted Financial Position

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash									18,000	18,543	21,000
Call investment deposits	1	-	-	-	-	-	-	-	11,000	12,000	12,500
Consumer debtors	1	-	-	-	-	-	-	-	1,246	650	350
Other debtors											
Current portion of long-term receivables											
Inventory	2										
Total current assets		-	-	-	-	-	-	-	30,246	31,193	33,850
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	837,622	848,745	868,745
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		-	-	-	-	-	-	-	837,622	848,745	868,745
TOTAL ASSETS		-	-	-	-	-	-	-	867,868	879,937	902,595
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	-	-	-	-	-	-	-	3,578	3,870	3,870
Provisions											
Total current liabilities		-	-	-	-	-	-	-	3,578	3,870	3,870
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	3,101	2,700	2,700
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	3,101	2,700	2,700
TOTAL LIABILITIES		-	-	-	-	-	-	-	6,679	6,570	6,570
NET ASSETS	5	-	-	-	-	-	-	-	861,189	873,367	896,025
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	861,189	873,367	896,025

Table A6 Consolidated budget financial position depicts a positive solid outcome and a positive going concern for the institution going forward.

The total current assets for 2017/18 financial year is R 30 Million as opposed to R 3,5 Million of current liabilities.